

## 0890 Secretary of State

The Secretary of State, a constitutionally established office, is the chief elections officer of the state and is responsible for the administration and enforcement of election laws. The Office is also responsible for administering and enforcing laws pertaining to filing documents associated with corporations, limited liability companies, partnerships, limited partnerships, unincorporated associations and pertaining to filing bonds and perfecting security agreements. In addition, the Office is responsible for commissioning notaries public, enforcing the notary laws, and in conjunction with being the home of the State Archives, preserving documents and records having historical significance. The Secretary of State is the filing officer for lobbying and campaign registration and disclosure documents filed under the Political Reform Act. The Secretary of State also operates the Safe At Home program, maintains the Domestic Partners and Advanced Health Care Directives Registries, and is home to the California Museum for History, Women and the Arts.

Policy associated with the administration of the Office is accomplished through the divisions of Elections, Political Reform, Business Programs, Archives, Information Technology and Management Services.

### 3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2007-08	2008-09	2009-10	2007-08*	2008-09*	2009-10*
10 Filings and Registrations	245.6	265.4	265.4	\$42,950	\$49,077	\$48,754
20 Elections	56.7	57.4	57.4	127,863	155,546	26,863
30 Archives	26.1	26.3	26.3	12,436	10,502	10,619
50.01 Administration and Technology	102.9	105.6	105.6	16,781	23,604	23,885
50.02 Distributed Administration and Technology	-	-	-	-16,781	-23,604	-23,885
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>431.3</b>	<b>454.7</b>	<b>454.7</b>	<b>\$183,249</b>	<b>\$215,125</b>	<b>\$86,236</b>
<b>FUNDING</b>				<b>2007-08*</b>	<b>2008-09*</b>	<b>2009-10*</b>
0001 General Fund				\$41,385	\$122,800	\$31,970
0228 Secretary of State's Business Fees Fund				36,421	38,987	38,672
0890 Federal Trust Fund				92,309	44,313	6,629
0995 Reimbursements				13,027	7,347	7,339
3042 Victims of Corporate Fraud Compensation Fund				107	1,678	1,626
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$183,249</b>	<b>\$215,125</b>	<b>\$86,236</b>

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

The California Constitution, Article 5, Section 11, Government Code Sections 12159-12179.1.

#### PROGRAM AUTHORITY

10-Filings and Registrations:

Corporations Code, Titles 1-3; Government Code, Sections 1363, 6503.5, 6503.7, 6518, 7220, 7222, 7223, 7225, 7226, 7227, 7229, 8200, 8201, 8201.1, 8201.2, 8201.5, 8202.5, 8203.1-8203.4, 8204.1, 8205, 8206, 8207, 8207.1, 8207.2, 8207.3, 8213, 8213.6, 8214.1, 8214.15, 8214.4, 8214.5, 8214.8, 8219.5, 8220, 8222, 8228, 12160, 12163, 12168, 12168.5, 12168.7, 12176, 12177, 12178.1, 12179.1, 12180, 12182, 12182.1, 12183-12197, 23712-23714, 34459-34461, and 53051; Business and Professions Code, Sections 14230, 14233, 14240, 14241, 14427, 14461, 14482, 14483, 14492, 17550 et seq., 18896 et seq., 22370 et seq., 22443.1, 22908-22912, 22914, 22916, 22917, 22920, 22921, and 22923, ; Civil Code, Sections 912, 1363.6, 1789.10 et seq., 1812.50 et seq., 1812.80 et seq., 1812.100 et seq., 1812.503., 1812.510, 1812.515, 1812.525, 1812.600, and 3344.1; Commercial Code, Sections 9501, 9509, 9512-9516, 9518, 9519-9523, and 9525-9528; Code of Civil Procedure, Sections 488.375, 697.550, 697.570, 697.580, 697.640-697.670, 2101, and 2103-2105; Family Code, Section 297; Food and Agriculture Code, Sections 55702, 57405, 57408-57411, 57414, 57512, 57516-57517, 57519, 57530, 57531, and 57561 et seq.; Probate Code, Section 4800; Vehicle Code, Section 40305.5; California Code of Regulations, Title 2, Sections 20800 et seq., 21900 et seq., 22100 et seq., 22500 et seq., 22600 et seq., and 22610.1 et seq.; Government Code, Title 1, Division 7, Chapter 3.1; Family Code, Division 10, Part 1; and Penal Code, Title 15, Chapter 2.

20-Elections:

California Constitution, Article XVI, Section 1; California Elections Code, Section 10; California Government Code, Section 12172.5; Help America Vote Act of 2002 (Public Law 107-252) and other federal elections law; Government Code, Title 9.

30-Archives:

Chapter 1, Statutes of 1850; Government Code, Sections 6268, 9080, 9149.9, 11347.3, 12153, 12174, 12220-12237, 14755-14756, and 14765-14768; Civil Code, Sections 1798.24, and 1798.64; Evidence Code, Section 1605, and Military and Veterans Code, Section 1360.

\* Dollars in thousands

## 0890 Secretary of State - Continued

### MAJOR PROGRAM CHANGES

- Help America Vote Act - The Governor's Budget includes \$6.6 million federal funds to continue implementing the Help America Vote Act (HAVA). Of that amount, \$2.8 million is to implement the VoteCal voter database system. The remaining \$3.8 million is for other HAVA implementation activities including assistance for disabled voters, voter education, voting systems and certification, interim voting systems, poll worker training and election performance assessment, and administration.

### DETAILED BUDGET ADJUSTMENTS

	2008-09*			2009-10*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Workload Budget Adjustments</b>						
<b>Workload Budget Change Proposals</b>						
• Help America Vote Act Amended Spending Plan	\$-	\$-	-	\$-	\$3,822	-
• HAVA VoteCal	-	-	-	-	2,807	-
<b>Totals, Workload Budget Change Proposals</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>\$6,629</b>	<b>-</b>
<b>Other Workload Budget Adjustments</b>						
• Employee Compensation Adjustments	\$24	\$59	-	\$36	\$94	-
• Retirement Rate Adjustment	-1	-8	-	-1	-8	-
• One Time Cost Reductions	-	-	-	-90,700	-42,313	-
• Miscellaneous Adjustments	703	1,733	-	560	-677	-
<b>Totals, Other Workload Budget Adjustments</b>	<b>\$726</b>	<b>\$1,784</b>	<b>-</b>	<b>-\$90,105</b>	<b>-\$42,904</b>	<b>-</b>
<b>Totals, Workload Budget Adjustments</b>	<b>\$726</b>	<b>\$1,784</b>	<b>-</b>	<b>-\$90,105</b>	<b>-\$36,275</b>	<b>-</b>
<b>Totals, Budget Adjustments</b>	<b>\$726</b>	<b>\$1,784</b>	<b>-</b>	<b>-\$90,105</b>	<b>-\$36,275</b>	<b>-</b>

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 10 - FILINGS AND REGISTRATIONS

The Business Programs Division is the first stop for anyone wanting to do business in California. The California Business Portal provides online resources and services to businesses, connecting people with electronic versions of important documents and handbooks, searchable lists of registered businesses, a step-by-step guide to starting a business, and assistance for international businesses wanting to operate in California.

The Business Entities Section files articles of incorporation, foreign qualifications, and related documents to ensure that corporations and other business entities are properly formed, merged, amended, and dissolved in compliance with California law.

The Uniform Commercial Code Section provides for the filing of documents that allow lending institutions to verify the existence of collateral prior to making loans and to establish a priority scheme for property repossession in case of debtor default or bankruptcy.

The Notary Public and Special Filings Section appoints and commissions eligible notaries public. A notary public is a public official who performs services to the legal, business, financial and real estate communities by certifying or witnessing signatures on official documents. Special Filings include trademarks and service marks as well as bonds that certain business entities are required to file, joint power agreements, city and county charters, and claims for successor-in-interest. This Section also has disciplinary functions with regard to notaries public and immigration consultants.

The Safe at Home Program provides address protection, name change confidentiality, and confidential voter registration for survivors of domestic violence and stalking and their family members, and providers, employees, volunteers, and patients of reproductive health care facilities.

The Advance Health Care Directive (AHCD) Registry maintains AHCDs, which allow a person to indicate to their medical treatment preferences if they cannot speak or make decisions for themselves. The AHCD also may designate someone else to make decisions regarding medical treatment. AHCDs and related information can be provided upon request to the registrant's health care provider, public guardian or legal representative.

The Domestic Partners Registry registers same-sex couples regardless of the age of the partners, and opposite-sex couples in which one partner is at least 62 years old, as domestic partners in California when they file a Declaration of Domestic Partnership.

\* Dollars in thousands

**0890 Secretary of State - Continued**

The Victims of Corporate Fraud Compensation Fund provides restitution to victims of corporate fraud who are unable to collect through other means on a judgment against a corporation for corporate fraud.

**20 - ELECTIONS**

The Secretary of State, as California's chief elections officer, has broad responsibility to administer the election process. This program oversees the modernization of voting equipment and the improvement of current electoral database systems, enhancing the voting processes, providing accessibility to voters, working to increase people's knowledge of the electoral system, and establishing a procedure to allow voters to file and have complaints resolved about voting-related issues.

This program includes the campaign and lobbying registration and disclosure provisions of the Political Reform Act of 1974. Under this law, the Office registers all levels of campaign committees, and reviews for compliance with statutory requirements all state-level campaign recipient, major donor, slate mailer, political party, and independent expenditure committees. The program also registers lobbyists, lobbying firms and lobbyist employers, reviews the periodic financial disclosure reports filed by lobbying entities, and publishes a Lobbying Directory both on paper and on the Internet. This program also supports the electronic filing requirements of the Political Reform Act and posts relevant registration and disclosure information to the Office's web site so voters can track where campaign money is raised and spent and what lobbying activity is occurring in state government. A searchable database of campaign and lobbying financial activity is also provided through the web site.

**30 - ARCHIVES**

The California State Archives acquires, indexes, preserves, and provides reference access to irreplaceable historic materials from the three branches of state government. The Archives acquires records that are legally required to be placed there, that possess legal, administrative or evidentiary value, or that have long-term historical significance. Materials of durable value are transferred to the Archives for long-term preservation.

**50 - ADMINISTRATION AND TECHNOLOGY**

This program develops and manages overall policy. It serves as the liaison to other state agencies, the Legislature, the federal government, and other states' Secretaries of State. This program responds to constituent correspondence and requests from the public and advocates in the Legislature, administers the Secretary's role as ex officio member of the World Trade Commission and as a member of the National Association of Secretaries of State, in the management of task forces and advisory committees, in the implementation of new federal and state statutory requirements, and coordinates and disseminates information about the Office and its initiatives to the public. It also provides the Office with the necessary personnel, general administrative, budgeting, fiscal services, and information technology expertise to plan, develop, implement, and operate innovative and effective business and information systems solutions.

**DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)**

		<u>2007-08*</u>	<u>2008-09*</u>	<u>2009-10*</u>
<b>PROGRAM REQUIREMENTS</b>				
<b>10</b>	<b>FILINGS AND REGISTRATIONS</b>			
	<b>State Operations:</b>			
0001	General Fund	\$3,589	\$1,073	\$1,117
0228	Secretary of State's Business Fees Fund	31,915	38,987	38,672
0995	Reimbursements	7,339	7,339	7,339
3042	Victims of Corporate Fraud Compensation Fund	107	1,678	1,626
	<b>Totals, State Operations</b>	<b>\$42,950</b>	<b>\$49,077</b>	<b>\$48,754</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>20</b>	<b>ELECTIONS</b>			
	<b>State Operations:</b>			
0001	General Fund	\$26,854	\$25,530	\$20,234
0228	Secretary of State's Business Fees Fund	3,012	-	-
0890	Federal Trust Fund	92,309	41,934	5,629
0995	Reimbursements	5,688	8	-
	<b>Totals, State Operations</b>	<b>\$127,863</b>	<b>\$67,472</b>	<b>\$25,863</b>
	<b>Local Assistance:</b>			
0001	General Fund	\$-	\$85,695	\$-
0890	Federal Trust Fund	-	2,379	1,000
	<b>Totals, Local Assistance</b>	<b>\$-</b>	<b>\$88,074</b>	<b>\$1,000</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>30</b>	<b>ARCHIVES</b>			

\* Dollars in thousands

## 0890 Secretary of State - Continued

	2007-08*	2008-09*	2009-10*
<b>State Operations:</b>			
0001 General Fund	\$10,942	\$10,502	\$10,619
0228 Secretary of State's Business Fees Fund	1,494	-	-
<b>Totals, State Operations</b>	<b>\$12,436</b>	<b>\$10,502</b>	<b>\$10,619</b>
<b>TOTALS, EXPENDITURES</b>			
State Operations	\$183,249	\$127,051	\$85,236
Local Assistance	-	88,074	1,000
<b>Totals, Expenditures</b>	<b>\$183,249</b>	<b>\$215,125</b>	<b>\$86,236</b>

## EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2007-08	2008-09	2009-10	2007-08*	2008-09*	2009-10*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	431.3	495.0	495.0	\$23,244	\$25,422	\$25,886
Total Adjustments	-	-	-	-	1,609	1,252
Estimated Salary Savings	-	-40.3	-40.3	-	-1,654	-2,272
<b>Net Totals, Salaries and Wages</b>	<b>431.3</b>	<b>454.7</b>	<b>454.7</b>	<b>23,244</b>	<b>25,377</b>	<b>24,866</b>
Staff Benefits	-	-	-	9,164	9,151	9,495
<b>Totals, Personal Services</b>	<b>431.3</b>	<b>454.7</b>	<b>454.7</b>	<b>32,408</b>	<b>34,528</b>	<b>34,361</b>
OPERATING EXPENSES AND EQUIPMENT				\$129,546	\$78,514	\$41,577
SPECIAL ITEMS OF EXPENSE						
Parallel Monitoring				\$-	\$95	\$95
Printing ballot pamphlets				9,158	6,316	3,426
Mailing ballot pamphlets				7,605	4,723	2,813
Printing registration cards				1,930	1,610	1,664
Mailing registration cards				2,256	1,060	1,095
Election night reporting				346	205	205
<b>Totals, Special Items of Expense</b>				<b>\$21,295</b>	<b>\$14,009</b>	<b>\$9,298</b>
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$183,249</b>	<b>\$127,051</b>	<b>\$85,236</b>
<b>2 Local Assistance</b>						
				Expenditures		
				2007-08*	2008-09*	2009-10*
February 5, 2008 Presidential Primary Election				\$-	\$85,695	\$-
P.L. 107-252 - Help America Vote Act of 2002				-	2,379	1,000
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>				<b>\$-</b>	<b>\$88,074</b>	<b>\$1,000</b>

## DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2007-08*	2008-09*	2009-10*
<b>0001 General Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$47,822	\$-	\$-
Allocation for employee compensation	261	-	-
Adjustment per Section 3.60	-19	-	-
Adjustment per Section 15.25	415	-	-
Transfer from Item 8640-001-0001 (Political Reform Act)	782	-	-
001 Budget Act appropriation as amended by Chapter 269, Statutes of 2008	-	36,380	-
Allocation for employee compensation	-	24	-

\* Dollars in thousands

## 0890 Secretary of State - Continued

1 STATE OPERATIONS	2007-08*	2008-09*	2009-10*
Adjustment per Section 3.60	-	-2	-
Transfer from Item 8640-001-0001 (Political Reform Act)	-	703	-
001 Budget Act appropriation	-	-	31,970
<b>Totals Available</b>	<b>\$49,261</b>	<b>\$37,105</b>	<b>\$31,970</b>
Unexpended balance, estimated savings	-7,876	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$41,385</b>	<b>\$37,105</b>	<b>\$31,970</b>
<b>0228 Secretary of State's Business Fees Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$36,854	\$38,936	\$38,672
Allocation for employee compensation	749	59	-
Adjustment per Section 3.60	-43	-8	-
Adjustment per Section 15.25	-102	-	-
<b>Totals Available</b>	<b>\$37,458</b>	<b>\$38,987</b>	<b>\$38,672</b>
Unexpended balance, estimated savings	-1,037	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$36,421</b>	<b>\$38,987</b>	<b>\$38,672</b>
<b>0890 Federal Trust Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$10,365	\$41,674	\$5,629
Allocation for employee compensation	3	-	-
Adjustment per Section 3.60	-1	-	-
Revised expenditure authority per Provision 5 of Item 0890-001-0890, Budget Act of 2007	111,340	260	-
<b>Totals Available</b>	<b>\$121,707</b>	<b>\$41,934</b>	<b>\$5,629</b>
Unexpended balance, estimated savings	-29,398	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$92,309</b>	<b>\$41,934</b>	<b>\$5,629</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$13,027	\$7,347	\$7,339
<b>3042 Victims of Corporate Fraud Compensation Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,627	\$1,678	\$1,626
<b>Totals Available</b>	<b>\$1,627</b>	<b>\$1,678</b>	<b>\$1,626</b>
Unexpended balance, estimated savings	-1,520	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$107</b>	<b>\$1,678</b>	<b>\$1,626</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$183,249</b>	<b>\$127,051</b>	<b>\$85,236</b>
<b>2 LOCAL ASSISTANCE</b>			
<b>0001 General Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	\$-	\$85,695	\$-
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$85,695</b>	<b>\$-</b>
<b>TOTALS, GENERAL FUND EXPENDITURES</b>	<b>\$-</b>	<b>\$85,695</b>	<b>\$-</b>
<b>0890 Federal Trust Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	\$-	\$914	\$1,000
Revised expenditure authority per Provision 1 of Item 0890-101-0890, Budget Act of 2008	-	1,465	-
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$2,379</b>	<b>\$1,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$-</b>	<b>\$88,074</b>	<b>\$1,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)</b>	<b>\$183,249</b>	<b>\$215,125</b>	<b>\$86,236</b>

\* Dollars in thousands

## 0890 Secretary of State - Continued

## FUND CONDITION STATEMENTS

	2007-08*	2008-09*	2009-10*
<b>0228 Secretary of State's Business Fees Fund <sup>s</sup></b>			
BEGINNING BALANCE	\$1	\$2	-
Prior year adjustments	<u>-135</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	-\$134	\$2	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
124100 Domestic Corporation Fees	10,253	10,047	\$9,937
124200 Foreign Corporation Fees	1,206	1,177	1,165
124300 Notary Public License Fees	1,287	1,269	1,249
124400 Filing Financing Statements	2,636	2,583	2,558
125600 Other Regulatory Fees	6,328	6,240	6,178
142000 General Fees--Secretary of State	24,998	24,704	24,446
150300 Income From Surplus Money Investments	483	411	411
161400 Miscellaneous Revenue	61	58	57
Transfers and Other Adjustments:			
TO0001 To General Fund per Government Code Section 12176	<u>-10,641</u>	<u>-7,473</u>	<u>-7,329</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$36,611</u>	<u>\$39,016</u>	<u>\$38,672</u>
Total Resources	\$36,477	\$39,018	\$38,672
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	54	31	-
0890 Secretary of State (State Operations)	<u>36,421</u>	<u>38,987</u>	<u>38,672</u>
Total Expenditures and Expenditure Adjustments	<u>\$36,475</u>	<u>\$39,018</u>	<u>\$38,672</u>
FUND BALANCE	\$2	-	-
Reserve for economic uncertainties	2	-	-
<b>3042 Victims of Corporate Fraud Compensation Fund <sup>s</sup></b>			
BEGINNING BALANCE	\$7,735	\$9,591	\$9,828
Prior year adjustments	<u>56</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$7,791	\$9,591	\$9,828
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
124100 Domestic Corporation Fees	1,542	1,608	1,592
150300 Income From Surplus Money Investments	<u>365</u>	<u>307</u>	<u>307</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$1,907</u>	<u>\$1,915</u>	<u>\$1,899</u>
Total Resources	\$9,698	\$11,506	\$11,727
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0890 Secretary of State (State Operations)	<u>107</u>	<u>1,678</u>	<u>1,626</u>
Total Expenditures and Expenditure Adjustments	<u>\$107</u>	<u>\$1,678</u>	<u>\$1,626</u>
FUND BALANCE	\$9,591	\$9,828	\$10,101
Reserve for economic uncertainties	9,591	9,828	10,101

\* Dollars in thousands